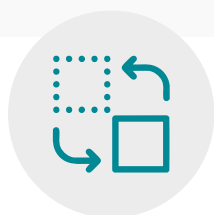


Bill will make CADE the regulator for digital markets

Brazil's Federal Government has submitted to Congress the Bill No. 4,675/2025, which amends Law No. 12,529/2011 (the Brazilian Antitrust Law) to incorporate a specific regulatory function for digital markets into CADE. The bill establishes procedures for designating systemically relevant economic agents in digital markets (ARS) and imposing special obligations on these agents, focusing on reducing barriers to entry, protecting the competitive process, and promoting freedom of choice, without discouraging innovation.

Our Antitrust and Digital Law teams have prepared an infographic highlighting the main aspects of the bill:



What changes at CADE

Creation of the Superintendence of Digital Markets (SMD): a new unit with a Superintendent appointed by the President of the Republic and approved by the Senate (2-year term, renewable once).

Attributions:

SMD: responsible for conducting administrative proceedings (i) for the designation of ARS, (ii) for determining special obligations, and (iii) for imposing administrative and procedural sanctions, proposing and supervising special obligations.

CADE's Tribunal: will approve ARS designations, decide on special obligations, and apply sanctions.

General Superintendence: remains responsible for merger control and coordinated conduct cases, even if they involve ARS.

Who can be designated as ARS

- **Qualitative criteria (not cumulative):** presence in multi-sided market(s); market power associated with network effects; existence of vertical integrations and activities in adjacent markets; strategic position for third-party activities; access to relevant personal and commercial data; significant base of business and end users; or a portfolio of multiple products/services;
- **Revenue criteria:** global annual gross turnover exceeding BRL 50 billion or revenue in Brazil exceeding BRL 5 billion to be recorded by the economic group, based on the latest available financial statements at the date of launching of the administrative proceeding for ARS designation;
- The designation applies to the entire economic group for up to 10 years (renewable).



Possible special obligations for ARS

Potential special obligations to be imposed by CADE on ARS include (cumulatively or not) the following:

Notification: submit to CADE any merger review, regardless of whether the parties meet the turnover thresholds.

Transparency obligations: disclosure of terms of use (including technical criteria, data collection/processing), ranking and display criteria, and pricing/fee structure; communication of changes to terms.

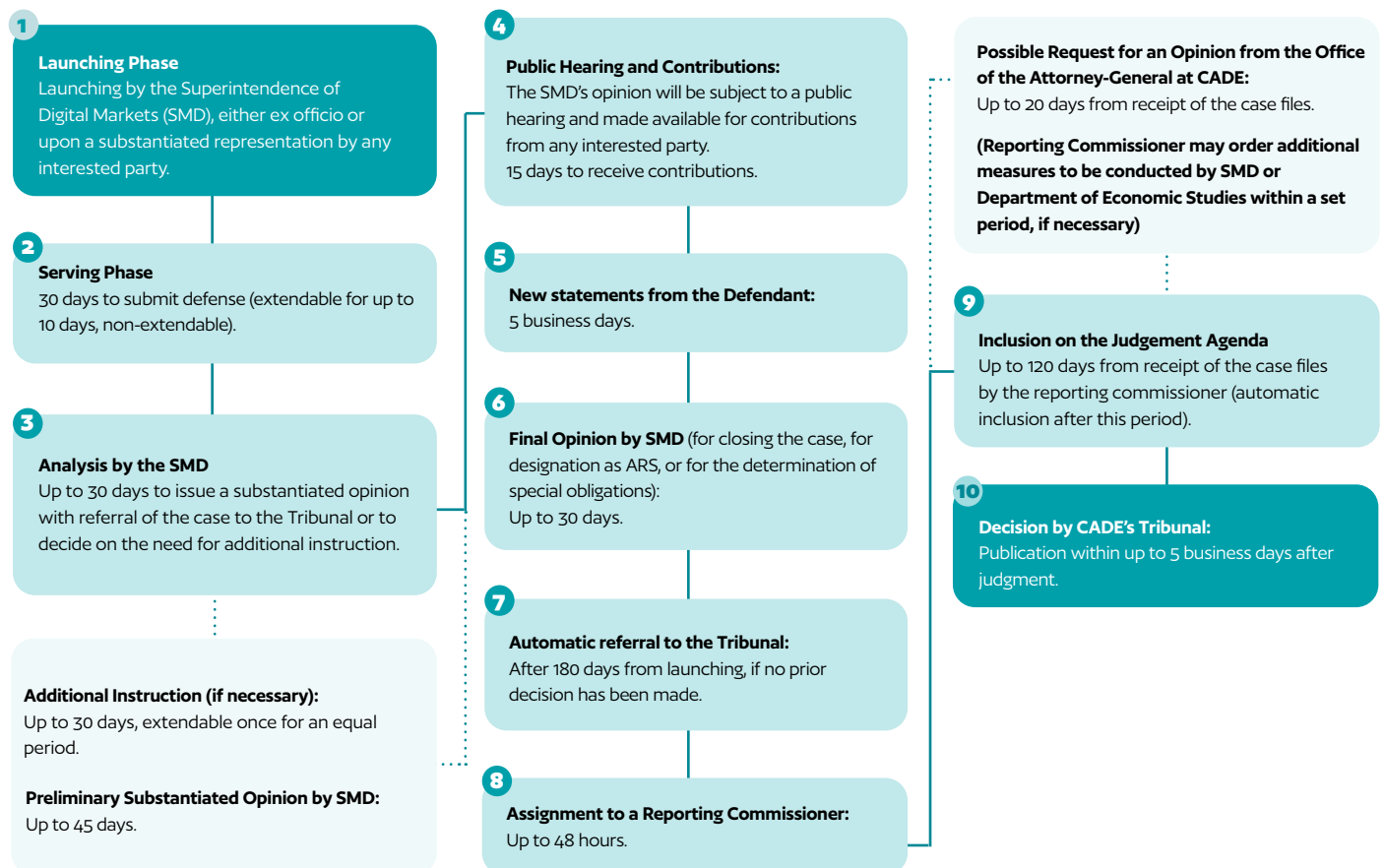
Prohibitions: self-preferencing practices; tying; restrictions on competitors' access to offers/inputs/users; use of business user data to favor own offers; contractual/technical barriers to direct contact between business users and end users; restriction of access to relevant metrics/information; predatory/abusive strategies.

Interoperability and portability obligations: provide free data transfer tools; interoperability mechanisms; allow installation/use of third-party apps; access to data and performance measurement tools; change default settings; adaptation periods; effective complaint mechanisms; isonomic and non-discriminatory conditions.

General duties: maintain an office in Brazil and keep contact information updated with CADE.

Proceeding, monitoring, and sanctions

Administrative Proceeding for the Designation of ARS and for Determining Special Obligations to ARS



- **Monitoring:** provision for periodic compliance reports; CADE may require an independent audit; any interested party may comment on compliance.
- **Sanctions:** application of the penalties provided for in the Brazilian Antitrust Law for non-compliance with special obligations; daily fine of BRL 20,000 (which may be increased up to 50 times) for failure to maintain an office in the country; penalty for failure to update contact information.

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